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FM AMEMBASSY TEL AVIV  
TO RUEHC/SECSTATE WASHDC PRIORITY 2135  
RHEHAAA/WHITE HOUSE WASHDC PRIORITY  
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RUEAIIA/CIA WASHDC PRIORITY  
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RUEAHQA/HQ USAF WASHINGTON DC PRIORITY  
RUEADWD/DA WASHDC PRIORITY  
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RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEKJCS/Joint STAFF WASHDC PRIORITY  
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 2423  
RUEHAS/AMEMBASSY ALGIERS PRIORITY 9134  
RUEHAM/AMEMBASSY AMMAN PRIORITY 2468  
RUEHAK/AMEMBASSY ANKARA PRIORITY 3228  
RUEHLB/AMEMBASSY BEIRUT PRIORITY 2443  
RUEHEG/AMEMBASSY CAIRO PRIORITY 0387  
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 3181  
RUEHLO/AMEMBASSY LONDON PRIORITY 0054  
RUEHFR/AMEMBASSY PARIS PRIORITY 0526  
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RUEHRO/AMEMBASSY ROME PRIORITY 4535  
RUEHRH/AMEMBASSY RIYADH PRIORITY 9449  
RUEHTU/AMEMBASSY TUNIS PRIORITY 3619  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 5562  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 7341  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
RHMFIUU/COMSIXTHFLT PRIORITY

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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XOXO  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

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E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Mideast

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Key stories in the media:  
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Ha'aretz and Israel Radio quoted State Department Spokesman Sean McCormack as saying on Thursday that the US has not changed its view of Hamas, despite the group's role in winning the release in Gaza of BBC reporter Alan Johnston. Ha'aretz further quoted McCormack as

saying that he does not think that "the world views Hamas any differently as a result of this."

Israel Radio and Ha'aretz's Web site reported that Hamas has authorized members of its military wing held in Israeli jails to conduct negotiations with Israel for the release of captive IDF soldier Gilad Shalit. The report was based on comments made by Hamas Parliament Member Ayman Dararma in an article published today in the Dubai newspaper Al-Khaleej. Dararma reportedly told Al-Khaleej that the jailed Hamas leaders would determine the criteria for which Hamas prisoners they will demand to be released in a prisoner swap. He said the leaders have already met several times with Israeli officials. However, Israel Radio reported that the deputy head of Hamas' political bureau, Moussa Abu Marzouk, told Egypt's Muslim Brotherhood Web site that only Cairo was authorized to negotiate a deal and that no other negotiations were taking place. The radio also cited Dararma's denial of Al-Khaleej's report.

Israel Radio reported that the IDF ended its latest incursion into the central Gaza Strip. Media quoted the IDF as saying that the operation was aimed at clearing out Hamas and Islamic Jihad terror infrastructure from the border area. Two IDF soldiers were moderately wounded -- and according to Palestinian sources, 11 Palestinians -- including six Hamas activists -- were killed and another 26 wounded. Ha'aretz reported that Imad Ghanem, a cameraman for Hamas's Al Aqsa television network, was seriously wounded while documenting the clashes. Though the origin of the gunfire cannot be confirmed, it seems that IDF soldiers fired repeatedly at him. Al Jazeera-TV cameras documented the incident. Ha'aretz quoted medical sources in Gaza as saying that both his legs were amputated and he is in critical condition. Ha'aretz quoted an IDF source as saying

on Thursday that Ghanem had been in the first line of fire and was not wearing a vest indicating that he was a member of the press. The source added that the man was probably not a card-carrying reporter, but rather shooting footage for use in Hamas propaganda.

Ha'aretz cited a Peace Now report as saying that only nine percent of the area earmarked for settlements has been built upon, and that only 12 percent is being used at all. The report cites figures provided by the IDF's Civil Administration in the territories. Despite their huge unused land reserves, 90 percent of the settlements exceed their boundaries, and about one-third of the territory they do use lies outside their jurisdiction, the report added. The newspaper noted Peace Now's charge that the findings attest to the government's ongoing cooperation with the settlement expansion.

Maariv reported that the Labor Party and Likud agree to hold Knesset elections in March 2008 or in May at the latest. Ha'aretz published the results of a Dialog poll: 42 percent prefer Netanyahu as prime minister, compared to 34 percent who prefer Barak. PM Olmert trailed behind, with 9 percent support. The poll gave Labor 25 Knesset seats if elections were held today -- six more than it has at present. Likud, headed by Netanyahu, would be the largest party, with 31 seats, up from its present 12. Kadima placed third on the list, with 11 seats --- 18 fewer than it has now.

The Jerusalem Post reported that undeterred by Hamas's takeover of Gaza, Israel and the British group BG are set to press ahead with a USD 4 billion project to drill for natural gas off the Gaza coast.

Ha'aretz cited a report released on Thursday by the immigrant aid organization Nefesh B'Nefesh that a 33-year high in immigration from the US and Canada is expected in 2007, with some 3,500 Americans and Canadians expected to move to Israel this year

In its coverage of the Fourth of July reception held at the US Ambassador to Israel's residence on Tuesday, Ha'aretz (English Ed.) printed a picture of Ambassador and Mrs. Jones, Acting President of Israel Dalia Itzik, and PM Ehud Olmert. The newspaper quoted Olmert as saying: "There is no country other than our own that we love more, that we value more, or that we feel closer to than the US." Itzik thanked the US for its "deep friendship and enduring support."

Deputy Defense Minister Ephraim Sneh was quoted as saying in an interview with Ha'aretz that an annual increase of 500 million shekels (around USD 120 million) for each of the next four years would solve the fundamental problems associated with the Iranian threat, and that this is within Olmert's reach. In an interview with The Jerusalem Post, Sneh was quoted as saying that Iran is the driving force behind global terror. Ha'aretz cited the belief of IDF Intelligence that relations with Syria are explosive, but that war can be avoided. According to the daily, Military Intelligence also believes that Hizbullah is presently uncomfortable confronting Israel, and that Iran has not yet reached the threshold of nuclear capability. Yediot reported that the holes in Israel's civil defense apparent during the Second Lebanon War have not been fixed and that civilians and infrastructures are likely to be hit by missiles in future conflicts. Leading media reported that Pensioner Affairs Minister Rafi Eitan told the Winograd Commission that the GOI did not declare a state of emergency during last year's Lebanon War so as not to harm its global financial status, Eitan slammed the IDF for "failing to deliver" in Lebanon.

Italian PM Romano Prodi was quoted as saying in an interview with Maariv ahead of his visit to Israel on Sunday that Iran is about to decide its role in the world. Prodi advocated a tough dialogue with Iran and called on Israel to make good on the prisoner swap with the Palestinians and talks with Syria.

Yediot cited the IDF's concern that Hamas might put IAF planes at risk, as the arsenal it seized from Fatah includes anti-aircraft rockets.

Israel Radio reported that on Thursday the foreign ministers of the Gulf Cooperation Council (GCC) -- which groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates -- called for the situation in the Gaza Strip to return to how it was before the Islamist movement Hamas seized control last month. Still, the radio reported that the council called for "respect for the Palestinian national legitimacy, headed by Mahmoud Abbas, and respect for the Palestinian Authority's legitimate institutions ... including the elected Palestinian Legislative Council," where Hamas has a majority. Israel Radio also said that the chief diplomats of the GCC called on Iraq's neighbors to refrain from meddling in the internal affairs of the war-torn country, in an apparent reference to Iran.

Leading media reported that Israeli security sources oppose reducing by one third the jail term of Nahum Manbar, because releasing him would harm the struggle against Iran's nuclear ambitions. In 1998, Manbar, an Israeli businessman, was sentenced to 16 years in prison for doing business with Tehran.

Maariv reported that Israeli soldiers are putting pictures of the bodies of dead terrorists online, even though their commanders have not given permission to make the photos public.

The Jerusalem Post (banner) and Maariv reported that the Israel Union for Environmental Defense (Adam Teva V'din) warned on Thursday that Israel could lose its seaports, see its entire coastline flooded, and suffer irreparable damage if global warming is allowed to continue unchecked.

Yediot reported that former Soviet spy Marcus Klingberg revealed in his memoirs that he had recruited a senior Israeli scientist and Israel Prize winner.

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Mideast:  
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Summary:  
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Senior op-ed writer Akiva Eldar commented in Ha'aretz: "Israeli warnings of the danger that Islamic extremists would do to Syria what they are now doing to Iraq makes no impression on the President. To Bush, death provides the only release from the axis of evil."

wrote in the popular, pluralist Maariv: "The 'Jordanian option' is popping up..... Jordan is Palestine."

Block Quotes:

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### II. "Syria Needs a Shrink"

Senior op-ed writer Akiva Eldar commented in Ha'aretz (7/6): "The US refusal to promote a peace agreement between Israel and Syria, in the name of democratization -- which in light of its successes in Iraq one might assume had disappeared altogether -- is viewed by Israeli diplomats as a relatively small problem. The big problem is George W. Bush's obsession with bringing down the regime in Damascus. In talks with senior US officials it became clear that they haven't the vaguest idea of what would take its place. Israeli warnings of the danger that Islamic extremists would do to Syria what they are now doing to Iraq makes no impression on the President. To Bush, death provides the only release from the axis of evil."

### II. "Jordan Is Palestine"

National Union-National Religious Party Knesset Member Arieh Eldad wrote in the popular, pluralist Maariv (7/6): "Little by little, almost surreptitiously, voices are starting to be heard. For years our brains have been washed with the motto 'Two states for two peoples'.... The trend has suddenly reversed itself. Most Israelis know once again what they knew in the past: They [the Palestinians] do not want an independent state alongside Israel. They want to push us out. Voices are slowly being heard overseas too -- in the United States: in key research institutes, not only those associated with the conservative Right, and in senior administration circles. The White House still murmurs President Bush's vision and continues to call for strengthening the scarecrow Abu Mazen. Olmert and his corrupt, failed court still follow their steps, but new plans are being devised behind their backs towards the day when that vision dies away -- when there is a new president, when Israel gets a prime minister. It comes as no surprise to the Palestinians, too, that that the vision was a delusion. This is why the 'Jordanian option' is popping up..... Jordan is Palestine. Millions of refugees from the camps of Judea and Samaria [i.e. the West Bank], Lebanon, Syria, and even from Jordan itself can be resettled there.... A voluntary transfer is possible and highly moral -- certainly more than the bloodshed bearing the signature of those deluding themselves that Greater Israel can be divided and a Palestinian state be established west of the Jordan River."

JONES